2.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises.

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this	day of J	ine.	, 2009, by and between	
Irak Trejo, a married	Person herein	not sound	by spaise	
whose addresss is 809 Flint 5	street Fort	Worth, Texa	5 76115	as Lessor,
and, <u>DALE PROPERTY SERVICES, L.L.C.</u> , <u>2100 Ross</u> , hereinabove named as Lessee, but all other provisions (in	scluding the completion of bla	nk spaces) were prepared jointh	by Lessor and Lessee.	
 In consideration of a cash bonus in hand paid described land, hereinafter called leased premises: 	I and the covenants herein	contained, Lessor hereby gran	s, leases and lets exclusively to Lea	ssee the following
155		200		Ali.
OUT OF THE WASON LO	ESS, BEING LOT(S) :		, BLOCK DDITION, AN ADDITION TO	THE CITY OF
Fort Worth	, TARRANT COUN	TY, TEXAS, ACCORDIN	G TO THAT CERTAIN PLAT	Γ RECORDED
IN VOLUME <u>386-133</u> , PAGE_	9	OF THE PLAT RECORD	S OF TARRANT COUNTY, T	EXAS.
in the County of <u>Tarrant</u> , State of TEXAS, containing reversion, prescription or otherwise), for the purpose of substances produced in association therewith (including commercial gases, as well as hydrocarbon gases. In ad land now or hereafter owned by Lessor which are contigu	exploring for, developing, pr g geophysical/seismic opera dition to the above-described	oducing and marketing oil and tions). The term "gas" as us I leased premises, this lease al	ed herein includes helium, carbon of so covers accretions and any small s	I non hydrocarbon dioxide and other strips or parcels of
Lessor agrees to execute at Lessee's request any addition of determining the amount of any shut-in royalties hereund	nal or supplemental instrumer	nts for a more complete or accur	ate description of the land so covered	f. For the purpose
2. This lease, which is a "paid-up" lease requiring n		4	(5) years from the da	
as long thereafter as oil or gas or other substances cover otherwise maintained in effect pursuant to the provisions h	ed hereby are produced in pa nereof.	lying quantities from the leased	premises or from lands pooled therew	vith or this lease is
Royalties on oil, gas and other substances prod separated at Lessee's separator facilities, the royalty sh	all be <u>One - 1-1-4-1-</u>	tu (1/5) of	such production, to be delivered at I	Lessee's option to
Lessor at the wellhead or to Lessor's credit at the oil pure the wellhead market price then prevailing in the same fie	eld (or if there is no such pri	ce then prevailing in the same	field, then in the nearest field in which	ch there is such a
prevailing price) for production of similar grade and g	he proceeds realized by Less	see from the sale thereof, less a	proportionate part of ad valorem taxe	es and production,
severance, or other excise taxes and the costs incurred behave the continuing right to purchase such production at t	he prevailing wellhead marke	t price paid for production of sin	tilar quality in the same field (or if the	re is no such price
then prevailing in the same field, then in the nearest field nearest preceding date as the date on which Lessee com-	I in which there is such a pre mences its purchases hereun	evailing price) pursuant to comp der; and (c) if at the end of the p	arable purchase contracts entered in firmary term or any time thereafter one	to on the same or e or more wells on
the leased premises or lands pooled therewith are capabl hydraulic fracture stimulation, but such well or wells are ei	e of either producing oil or ga	is or other substances covered	hereby in paying quantities or such w	ells are waiting on
be producing in paying quantities for the purpose of maint being sold by Lessee, then Lessee shall pay shut-in royal	aining this lease. If for a per	od of 90 consecutive days such	well or wells are shut-in or production	n there from is not
depository designated below, on or before the end of said	90-day period and thereafte	r on or before each anniversary	of the end of said 90-day period whil	le the well or wells
are shut-in or production there from is not being sold by Lessee from another well or wells on the leased premises	or lands pooled therewith, n	o shut-in royalty shall be due un	til the end of the 90-day period пехt f	ollowing cessation
of such operations or production. Lessee's failure to proper 4. All shut-in royalty payments under this lease sha	all be paid or tendered to Les	sor or to Lessor's credit in <u>at le</u>	essor's address above or its succe	essors, which shall
be Lessor's depository agent for receiving payments regal draft and such payments or tenders to Lessor or to the de	epository by deposit in the U	S Mails in a stamped envelope	addressed to the depository or to the	Lessor at the last
address known to Lessee shall constitute proper payment payment hereunder, Lessor shall, at Lessee's request, del	 If the depository should liq 	uidate or be succeeded by anot	her institution, or for any reason fail o	or refuse to accept
Except as provided for in Paragraph 3, above, if premises or lands pooled therewith, or if all production	Lessee drills a well which is	incapable of producing in paying	quantities (hereinafter called "dry ho	ole") on the leased
pursuant to the provisions of Paragraph 6 or the action nevertheless remain in force if Lessee commences opera	n of any governmental author	crity, then in the event this lea	se is not otherwise being maintaine	d in force it shall
on the leased premises or lands pooled therewith within 9	0 days after completion of or	perations on such dry hole or with	hin 90 days after such cessation of a	Il production. If at
the end of the primary term, or at any time thereafter, the operations reasonably calculated to obtain or restore produced to	luction therefrom, this lease s	hall remain in force so long as a	ny one or more of such operations ar	re prosecuted with
no cessation of more than 90 consecutive days, and if at there is production in paying quantities from the leased p				
Lessee shall drill such additional wells on the leased prem to (a) develop the leased premises as to formations ther	ises or lands pooled therewit	h as a reasonably prudent opera	ator would drill under the same or sim	ilar circumstances
leased premises from uncompensated drainage by any wadditional wells except as expressly provided herein.				
Lessee shall have the right but not the obligation				
depths or zones, and as to any or all substances covere proper to do so in order to prudently develop or operate the	ne leased premises, whether	or not similar pooling authority e	xists with respect to such other lands	or interests. The
unit formed by such pooling for an oil well which is not a li horizontal completion shall not exceed 640 acres plus a m	naximum acreage tolerance o	f 10%; provided that a larger un	it may be formed for an oil well or gas	s well or horizontal
completion to conform to any well spacing or density patter of the foregoing, the terms "oil well" and "gas well" shall I	have the meanings prescribe	d by applicable law or the appr	opriate governmental authority, or, if	no definition is so
prescribed, "oil well" means a well with an initial gas-oil ra- feet or more per barrel, based on 24-hour production t	tio of less than 100,000 cubic	feet per barrel and "gas well" n	neans a well with an initial gas-oil ratio	o of 100,000 cubic
equipment; and the term "horizontal completion" means equipment; and the term "horizontal completion" means a	an oil well in which the ho	rizontal component of the gros	s completion interval in facilities or	equivalent testing
component thereof. In exercising its pooling rights hereu	inder, Lessee shall file of re-	ord a written declaration descr	ibing the unit and stating the effectiv	e date of pooling.
Production, drilling or reworking operations anywhere on reworking operations on the leased premises, except that	the production on which Les	sor's royalty is calculated shall	be that proportion of the total unit pro	duction which the
net acreage covered by this lease and included in the ur Lessee. Pooling in one or more instances shall not exhau	nit bears to the total gross a ust Lessee's pooling rights h	creage in the unit, but only to t ereunder, and Lessee shall hav	ne extent such proportion of unit pro e the recurring right but not the obliga	duction is sold by ation to revise any
unit formed hereunder by expansion or contraction or bo prescribed or permitted by the governmental authority ha	th, either before or after con	nmencement of production, in a	order to conform to the well spacing	or density pattern
making such a revision, Lessee shall file of record a writte leased premises is included in or excluded from the unit be	en declaration describing the	revised unit and stating the effe	ective date of revision. To the extent	any portion of the
be adjusted accordingly. In the absence of production in a written declaration describing the unit and stating the dal	paying quantities from a unit,	or upon permanent cessation th	ereof, Lessee may terminate the unit	
If Lessor owns less than the full mineral estate in	all or any part of the leased	premises, the royalties and shut	in royalties payable hereunder for an	
of the leased premises or lands pooled therewith shall be	resoces to the proportion that	t Lessoi s interest in such part o	i uie leased premises bears to the ful	a amirerar estate in

- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.
- 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon
- Lessor a lease covering any of all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

 14. For the same consideration recited above. Lessor bereby creates assigns, a pernetual subsurface well hore.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title. Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original. DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)			
Trac Treso By: Irak Treso	B	y:	
STATE OF EX QS	ACKNOWLEDGMI	ENT	
This instrument was acknowledged before me on the by: Yak Treic	day of	Jine	, 2009,
MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011		Notary Public, State of	z Padilla
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of		, 2009,



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

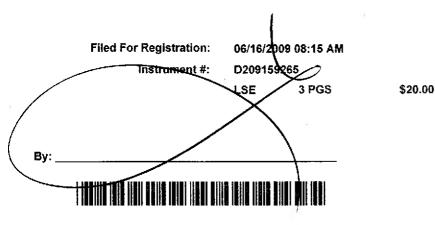
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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